

RUSSIA: ENVIRONMENTAL ASSISTANCE PROGRAM

ISSUE

To provide technical assistance to help Russia improve its environment management, encourage environmentally sound natural resource use, and stimulate environmental investments.

BACKGROUND

AID and EPA are designing and carrying out the USG environmental assistance program in Russia--the Environmental Policy and Technology Project (EPT). USG foreign assistance funding for EPT will total about \$45-50 million in FY 93 and FY 94.

Under EPT, the USG has fourteen major environmental assistance activities in Russia in 1993-94. The planning for all EPT activities is nearing completion. Implementation of some EPT activities is well under way.

EPA has the lead for six EPT and other environmental activities: air quality (Volgograd), water quality (Moscow region), industrial pollution (Urals), methane recovery from gas pipelines and coal mines (West Siberia), integrated resource planning for electric utilities (Moscow and North Caucasus), air pollution control technology (Dorogobuzh and Izhevsk), and law.

AID has the lead for the other eight EPT activities: 1) environmental economics and policy; 2) national environmental action plan; 3) strengthening of non-governmental organizations; 4) training; 5) multiple pollution sources management (Novokuznetsk); 6) oil and gas demonstration (Arkhangelsk); 7) natural resource management and biodiversity (Khabarovsk); and 8) Lake Baikal.

The EPT activities will be supported by the AID Commodity Import Program, which will provide U.S.-made goods such as laboratory and monitoring equipment on a preferential basis.

The USG approach to assistance emphasizes cooperation, people-to-people contacts, and practical benefits at the local level. About 40-50 percent of USG assistance funding will go directly to Russia in the form of equipment and grants.

PARTICIPANTS

U.S. Government

U.S. Agency for International Development
U.S. Environmental Protection Agency

Russian Government

Ministry of Environmental Protection and Natural Resources (MEPNR)

TALKING POINTS

As EPT project implementation proceeds, several organizational and logistical issues must be resolved, including:

- Project support: The support of MEPNR is crucial to the success of the EPT in Russia. We want to be sure that the Ministry is fully informed about all EPT activities, that it has appointed a liaison for key EPT activities, that it will provide requisite advice and information, and that, if necessary, it will actively intervene to solve problems and ensure support for EPT activities.
- Tax exemptions: According to the U.S.-Russian bilateral assistance agreement, the provision of foreign assistance is not subject to taxes. In spite of this provision, officials at the local levels continue to levy taxes on some U.S. grant recipients. Procedures should be put in place so that local officials will understand and apply exemptions in an appropriate manner. As part of this process, we suggest that the Russian government identify an individual who we or our Russian colleagues can contact when questions concerning taxes arise.
- Visas: The issuance of visa support (letters of invitation) by the Russian side has been slow, which has caused the postponement of several trips to Russia. Visa support should be timely, and the possibility of multiple-entry visas for both sides should be investigated.
- Project Concentration: USAID, SNIS, and OMB are greatly concerned about the proliferation of project activities and the limited impact that will result for a multitude of small unconnected efforts. USAID undertook a program review in April and May to reassess progress and potential program impact. It was strongly recommended that the current portfolio of fourteen activities be restructured, more tightly integrated, and deepened in some areas to achieve significant structural changes in environmental policy and management in Russia. This topic will be the subject of separate discussions during the GCC meeting.

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U.S. - RUSSIAN ENVIRONMENTAL COOPERATION

STATUS REPORT - JUNE 3, 1994

The USG environmental technical assistance program is managed by USAID under the NIS Environmental Policy and Technology Project. The program activities have been endorsed by both the U.S. and Russia governments through the Gore-Chernomyrdin Commission. The \$31 million FY94 program builds on a \$6 million FY93 start-up effort. In addition, USAID, is also investing in the energy sector, training, and a Commodity Import Program (CIP) which will also contribute to USAID's overall Russian environmental initiative.

Activities Funded Under The Environmental Policy and Technology Project:

Pilot Activities:

Lake Baikal: Working with local and national governments, NGOs, and the Baikal Commission, a program of sustainable land-use planning in the Baikal watershed is being implemented.

- Agreement for the project has been reached among the three regional governments, Buryat Republic and Chita and Irkutsk Oblasts, and many local organizations.
- More than 25 local Russian citizens have been employed to implement 8 field activities.

Ongoing activities include:

- developing ecotourism opportunities;
- promoting sustainable agriculture;
- assisting in land use planning for a variety of uses such as nature preserves, forest and timber management, and preserving indigenous lifestyles.

Accomplishments to date include:

- Helped design public parks and historic restorations;
- Provided training and assistance to local farms and farm managers;
- Assisted in the establishment of the Arakhley-Lakes Wildlife Refuge;
- Facilitated contacts and visits between U.S. forest industry firms and regional land managers.

U.S. Implementors: Center for Citizens Initiatives (FY93 funds) and the Ecologically Sustainable Development Inc. (FY94 funds).

Russian Implementors: Baikal Fund, Buryat Republic Council of Ministers, Buryatia Rural Innovation Center, Chita Oblast Administration, Chita Regional Land Use Development, Irkutsk Goskomecologia, Baikal Ecological Museum, Buryat Science Center, Institute of Natural Resources (Chita).

Moscow Region Water Quality Management:

Small Watershed Management: Improving the control of water pollution due to agricultural activities.

- An agreement to cooperate was signed on February 8, 1994 between four U.S. organizations and eight Russian organizations.
- A study-tour of key Ministry of Environment officials is planned for June.
- A Russian staffed field office will open this summer.
- An analysis of the current water quality monitoring network, including recommendations for improvements, will begin this summer.
- A detailed survey of agricultural pollution sources and practices will begin this summer.

Control of Point Source Pollution: Decreasing the input of point source pollution to the Moscow drinking water supply by focussing on improving operation and monitoring of industrial facilities, the introduction of low-cost pollution technologies, and the control of non-agricultural run-off.

- The final workplan is under development.
- An agreement with the Minnesota Pollution Control Agency to assist in coordinating U.S. involvement in this activity is under negotiation.
- Activities are scheduled to begin in June.

U.S. Implementors: EPA; CH2M Hill Consortium; Minnesota Pollution Control Agency; Iowa State University; USDA; USGS.

Russian Implementors: Ministry of Environmental Protection and Natural Resources (MEPNR), Regional Committees for Water Management, Nature Protection and Hydrometeorology Service, Center for Sanitary and Epidemiological Surveillance, Ministry of Agriculture (Agrarian Institute).

Air Quality Management (Volgograd): A pilot project in this important industrial city to demonstrate alternative approaches to improving air quality management policies in Russia.

- Facility pollution audits of selected industrial plants have begun, in order to identify low/no cost improvements to production processes to reduce pollution.
- Air monitoring equipment has been delivered and setup, and equipment operators have been trained.
- An inventory of point pollution sources began in May. This includes source identification and stack-emissions testing.
- Sub-contracts with 6 Russian organizations have been negotiated to implement project activities.

U. S. Implementors: EPA; CH2M Hill Consortium; SAIC (Science Applications International Corporation)

Russian Implementors: Volgograd City Environmental Services Administration, Federal Service on Hydrometeorology and Monitoring of Natural Environment, MEPNR, Scientific Research Institute of Atmospheric Air Protection, Main Geophysical Observatory, Institute of Economics of Nature Protection, Institute Agriproject

Industrial Environmental Management (Nizhnii Tagil): Encouraging environmentally sound industrial conversion by identifying production line changes which will increase economic efficiency and reduce pollution, and by fostering community-based environmental decision-making processes.

- Agreement to cooperate was signed by 3 U.S. and 7 Russian organizations on February 16, 1994.
- A Russian site manager has been retained, and a U.S. coordinator is residing in Ekaterinburg to coordinate the project.
- 40 professionals were trained in environmental management courses held in Ekaterinburg and Nizhnii Tagil in May.
- A conference for 100 Russian participants was held on May 24-25 to commence project activities. Workshops included: Pollution Prevention/Environmental Audits; Environmental Planning and Comparative Risks; Institutional Strengthening; Health assessment; and Environmental Education.
- A preliminary survey of environmental problems at 6 enterprises was conducted, as a prelude to more comprehensive environmental audits.

U.S. Implementors: EPA; CH2M Hill Consortium; Institute for Sustainable Communities

Russian Implementors: Nizhnii Tagil City Administration, Tagilecoprom Environmental Protection Center, Interraion Committee for Environmental Protection, Center for Sanitary and Epidemiological Surveillance, MEPNR

Multiple Pollution Sources Management (Novokuznetsk): Managing pollution from multiple sources through risk assessment and priority-setting, industrial environmental management (stressing no-cost and low-cost opportunities to improve the operating efficiency of enterprises while also reducing pollution), and local planning to diversify to a more sustainable economic base.

- Agreement was reached to continue the sister city relationship between Novokuznetsk and Pittsburgh, PA for environmental planning.
- A Cooperative Agreement was signed on April 15, 1994 with the Novokuznetsk City Administration and other counterparts, for project components addressing: Drinking Water Supply; Air Pollution; Industrial Environmental Audits; Public Environmental Education; and Environmental Business Development.
- Subcontracts with 5 local Russian organizations to initiate program tasks have been negotiated.
- A U.S. site manager will arrive this summer.

U.S. Implementors: CH2M Hill Consortium; Pittsburgh Sister City Program; Allegheny County, PA.

Russian Implementors: Novokuznetsk City Administration, Novokuznetsk Development Fund, Vodocanal Ltd, City Center of Sanitary-Epidemiological Control, and Physicians' Upgrading Institute.

Natural Resource Environmental Management, Khabarovsk: Environmental management for sustainable use of natural resources, particularly forests, and the protection of biodiverse areas during economic development.

- Activities identified to foster sustainable forest management include: catastrophic fire management; forest rehabilitation; strengthening of the public sector; and promotion of U.S. investment.
- Activities to protect biodiversity include: forest/habitat protection; forest fire prevention; and community development planning.

U.S. Implementors: CH2M Hill Consortium; USFS; USGS; (Numerous others to be added)

Russian Implementors: MEPNR, Russian Federal Service for Geodesy and Cartography, Pacific Institute of Geography (Far Eastern Branch, Russian Academy of Science), Economic Research Institute (Russian Academy of Science)

Pilot Support Activities:

Environmental Economics and Policy Advice: Assist national policymakers on environmental issues during economic restructuring, through a resident advisor and additional expert support.

- The resident advisor in environmental economics has been selected and will move to Moscow mid-July.
- The resident advisor has commenced interviews with consulting Russian institutes.
- Research on economic sustainability indicators has begun.

U.S. Implementors: Harvard Institute for International Development; CH2M Hill Consortium
Russian Implementors: MEPNR; Ministry of Economy; Numerous institutes

NGO Strengthening: Two grant programs for environmental NGOs have provided small support and project grants to Russian NGOs, and larger grants for partnership projects jointly implemented by Russian and U.S. NGOs.

- 105 Russian NGOs were awarded grants, totalling \$180,000 for environmental projects. Activities include environmental youth camps and education, identifying polluted zones and organizing the protection and restoration of environmentally damaged areas;
- 18 partnerships between U.S./Russian NGOs received grants for cooperative environmental activities, totalling \$750,000. Activities include protecting the Siberian tiger and developing methods for, and offering training in, environmental impact assessments.

Implementor(s): ISAR, 18 US NGOs, and 105 Russian NGOs.

Related Activities from Other USAID NIS Projects

NIS Education and Training Project: Four courses (with a total of 60 Russian participants) will be given in the U.S. in June-July, 1994. The courses are:

- **Environmental Policy and Programming: Industrial Restructuring and Privatization**
- **Environmental Policy and Programming: Environmental Policy in Natural Resources Planning**
- **Public Participation in Environmental Decision-making**

- Environmental Management Tools and Practices

An additional 95 Russians will receive U.S. based environmental training by December, 1994.

U.S. Implementor(s): Academy for Educational Development and numerous training providers throughout the U.S.

Commodity Import Program: This program will provide grant equipment to enhance the capability of Russian environmental protection agencies (including public enterprises, government, and non-profit institutions). Approximately \$25 million will be spent to support environmental activities.

U.S. Implementor(s): Burns and Roe.

Russian Implementors: Ministry of Fuel and Energy; MEPNR; Russian Agency for International Cooperation and Development

NIS Energy Efficiency and Policy Reform Project: The Energy Project focuses on energy efficiency, nuclear safety and energy policy reform. Funds for this activity are being reported under the energy GCC subcommittee. Our FY94 \$75 million Russia nuclear safety program is designed to protect the environment and public, therefore 100% of this effort should be attributed to environmental benefits. Our FY94 \$22 million Russian non-nuclear program is designed to promote energy efficiency and policy reform. 10-20% of this program should be attributed to environmental benefits.